

SENATE BILL 346

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Q2

2003 Regular Session  
(31r0880)

*ENROLLED BILL*

-- *Budget and Taxation/Ways and Means* --

Introduced by **Senator McFadden (By Request - Baltimore City Administration)**

Read and Examined by Proofreaders:

\_\_\_\_\_  
Proofreader.

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Proofreader.

Sealed with the Great Seal and presented to the Governor, for his approval this  
\_\_\_\_ day of \_\_\_\_\_ at \_\_\_\_\_ o'clock, \_\_\_\_ M.

\_\_\_\_\_  
President.

CHAPTER \_\_\_\_\_

1 AN ACT concerning

2 **Baltimore City - Tax Sales - Abandoned Property**

3 FOR the purpose of altering certain provisions regarding proceedings to foreclose the  
4 right of redemption following a tax sale of certain abandoned property in  
5 Baltimore City to provide the Mayor and City Council of Baltimore the  
6 discretion to request a deficiency judgment; prohibiting a person from filing to  
7 reopen a judgment foreclosing rights of redemption with respect to certain  
8 abandoned property in Baltimore City based on inadequate notice; limiting the  
9 damages in certain actions regarding foreclosure of rights of redemption  
10 following a tax sale of certain abandoned property in Baltimore City; and  
11 generally relating to the tax sales of certain abandoned property in Baltimore  
12 City.

13 BY repealing and reenacting, with amendments,  
14 Article - Tax - Property  
15 Section 14-817(c), 14-835(a), 14-844(e), and 14-845

1 Annotated Code of Maryland  
2 (2001 Replacement Volume and 2002 Supplement)

3 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF  
4 MARYLAND, That the Laws of Maryland read as follows:

5 **Article - Tax - Property**

6 14-817.

7 (c) (1) In Baltimore City, abandoned property consisting of either a vacant  
8 lot or improved property cited as vacant and unfit for habitation on a housing or  
9 building violation notice may be sold for a sum less than the total amount of:

10 (i) all taxes on the property that are certified to the collector under  
11 § 14-810 of this subtitle;

12 (ii) interest and penalties on the taxes; and

13 (iii) expenses incurred in making the sale.

14 (2) The collector shall establish a minimum bid for abandoned property  
15 sold under this subsection.

16 (3) The person responsible for the taxes prior to the sale shall remain  
17 liable to the collector for the difference between the amount received in the tax sale  
18 under this section and the taxes, interest, penalties, and expenses remaining after  
19 the sale.

20 (4) The balance remaining after the tax sale shall be included in the  
21 amount necessary to redeem the property under § 14-828 of this subtitle.

22 (5) In a proceeding BROUGHT BY THE MAYOR AND CITY COUNCIL OF  
23 BALTIMORE CITY to foreclose the right of redemption under this subtitle, the  
24 complaint [shall] MAY request a judgment for the city in the amount of the balance.

25 (6) The balance remaining after the tax sale is no longer a lien on the  
26 property when:

27 (i) a judgment is entered foreclosing the owner's right of  
28 redemption;

29 (ii) the deed is recorded; and

30 (iii) all liens accruing subsequent to the date of sale are paid in full.

31 (7) The Mayor and City Council may institute a separate action to collect  
32 the balance at any time within 7 years after the tax sale if the plaintiff is a private  
33 purchaser.

1 14-835.

2 (a) A person shall file a complaint in the circuit court for the county in which  
3 the land is located, that states:

4 (1) the fact of the issuance of the certificate of sale;

5 (2) a description of the property in substantially the same form as the  
6 description appearing on the certificate of tax sale and, if the person chooses, any  
7 description of the property that appears in the land records;

8 (3) the fact that the property has not been redeemed by any party in  
9 interest;

10 (4) a request for process to be served on the defendants named in the  
11 complaint;

12 (5) a request for an order of publication directed to all parties in interest  
13 in the property;

14 (6) a request that the court pass a judgment that forecloses all rights of  
15 redemption of the defendants and any other person having any interest in the  
16 property;

17 (7) a description of the amount necessary for redemption including the  
18 amount paid out at the tax sale; and

19 (8) AT THE OPTION OF THE PLAINTIFF, IN A FORECLOSURE  
20 PROCEEDING BROUGHT BY THE MAYOR AND CITY COUNCIL OF BALTIMORE CITY for  
21 [vacant and] abandoned property [in Baltimore City] sold [to Baltimore City] for a  
22 sum less than the amount due under § 14-817 of this subtitle, a request that the court  
23 pass a judgment for the City and against the person liable for the taxes prior to the  
24 sale in the amount of the unpaid taxes, interest, penalties, and expenses otherwise  
25 due in a tax sale.

26 14-844.

27 (e) In Baltimore City where abandoned property has been sold for a sum less  
28 than the amount due under § 14-817 of this subtitle, in a foreclosure proceeding  
29 brought by the Mayor and City Council, the final order [shall] MAY include a  
30 judgment in favor of the city and against the person liable for taxes prior to the sale,  
31 in the amount of the unpaid taxes, interest, penalties, and expenses otherwise due in  
32 a tax sale.

33 14-845.

34 (a) A court in the State may not reopen a judgment rendered in a tax sale  
35 foreclosure proceeding except on the ground of lack of jurisdiction or fraud in the  
36 conduct of the proceedings to foreclose; however, no reopening of any judgment on the  
37 ground of constructive fraud in the conduct of the proceedings to foreclose shall be

1 entertained by any court unless an application to reopen a judgment rendered is filed  
2 within 1 year from the date of the judgment.

3 (b) If the judgment of the court foreclosing all rights of redemption is set aside,  
4 the amount required to redeem is the amount required by this subtitle, and in  
5 addition, the reasonable value, at the date the judgment is set aside, of all  
6 improvements made on the property and all costs incurred with respect to  
7 development of the property by the purchaser and the purchaser's successors in  
8 interest.

9 (c) [(1)] In Baltimore City, with respect to abandoned property THAT IS  
10 SUBJECT TO § 14-817(C) OF THIS SUBTITLE [, an action to reopen a judgment or to  
11 recover damages on the ground of constructive fraud or inadequate notice shall be  
12 filed within 3 years from the date of judgment.

13 (2) Damages in an action under paragraph (1) of this subsection may not  
14 exceed the fair market value of the property at the time of sale];

15 (1) A DEFENDANT OR ANY PERSON DESCRIBED IN ~~§ 14-836(B)(4)(i) §~~  
16 14-836(B)(1) OR (4)(I) OF THIS SUBTITLE MAY FILE AN ACTION TO RECOVER DAMAGES  
17 ON THE GROUND OF INADEQUATE NOTICE WITHIN 3 YEARS AFTER THE DATE OF  
18 JUDGMENT FORECLOSING RIGHTS OF REDEMPTION;

19 (2) DAMAGES IN AN ACTION UNDER ITEM (1) OF THIS SUBSECTION MAY  
20 NOT EXCEED THE FAIR MARKET VALUE OF THAT PERSON'S INTEREST IN THE  
21 PROPERTY AT THE TIME OF THE SALE; AND

22 (3) A PERSON MAY NOT FILE TO REOPEN A JUDGMENT FORECLOSING  
23 RIGHTS OF REDEMPTION BASED ON INADEQUATE NOTICE.

24 (d) A court in the State may not reopen a judgment rendered in a foreclosure  
25 proceeding instituted by the Mayor and City Council of Baltimore City under former  
26 Article 81, §§ 117 through 121 of the Code unless an application to reopen the  
27 judgment is filed on or before June 30, 1987. After June 30, 1987, any judgment  
28 rendered under former Article 81, §§ 117 through 121 of the Code shall be deemed  
29 conclusively to have been ratified by all persons who might otherwise have grounds to  
30 object to the judgment.

31 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
32 July 1, 2003.

